Para 24b Finance

App.F.IX-4]

WD2239.B490.

1922-3

File No. 79-22

Previous References. (Ire)

Ire 146-20 (1,2, Sept 39)

Serial Nos. 39, 42-44

Later references. Ire. 424-26.

Ire 121-27 (35, 36, 39, 43, 51)

Ire 219-28-1

314-31 (1-2)

GENERAL & REVENUE SECRETARIAT

" 239-33 (1-4, 7-9)

" 73-38 (1-2)

Ire 247-40 (7+10)

C B. 1000-42-2

Serial Nos. Four

Part B for Telegram

SUBJECT

Central Industrial workshop Bangalore (Reorganization of the ~~Dept~~

Ir 9485-84 S. S. 25.

To Director of Industries & Commerce Mysore

Heads of depts

By Comm of Dish

Please refer to the ~~Ch~~

G. R. S. 11] 1922

GENERAL AND REVENUE SECRETARIAT.

NOTES.

File No. 79

FILE HEADING.

The Central Industrial Workshop

From

No.	Dated	Received

Diary No.	Enclos.	Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

NOTES—First Sheet.

G. R. S. III-2)

General and Revenue Secretariat. | L&C File No. 79 of 1922

Serial No.

Submitted with a comprehensive draft order dealing with all the several references connected with the C. D. workshop. The statement made in para VIII, C, (b), of the audit report of the accounts of the Workshop for the half year ending 30.6.22 that the closing revaluation appears to be a considerable under-estimate in some instances is for consideration before accepting the revaluation proposed.

17.11.22

2) As the losses are heavy and as there are several references on the subject perhaps the amounts entered in the draft may be got verified by the Comptr. if approved.

17.11.22

3) As directed by the Asst. Secy a second draft. So on the lines indicated is prepared & put up. The mention of the scale of pay of the attender & store keeper refers to the Secrett

Typed copy of the sheet showing corrections to be made is put up.

NOTE—Contn. sheet.

2115

3

G. R. S. III-2]

General and Revenue Secretariat.

HC File No. 79 of 19 22

Serial No.

letter of 4.11.22 have also been indicated in the draft. If approved the draft may be typed after revision and referred to the Dr-Sec for opinion.

16.11.22 (4) Whether it is desirable to ~~send to~~ Consult the Director by sending him a copy of our draft G.O. beforehand as proposed above is for orders

VS

NOTE—Contn. sheet.

G. R. S. III—3]

ROUTINE NOTES. Rc 7522 3A

[To be used only for notes, requisitions, etc., not intended for permanent record.]

As soon as you have finished the pr paration of the report of the audit insp tion of the Mysore Trust Board, please collect the latest audit reports of the Industrial concerns under the Industries and Commerce Department, (that is, repor of the local audit staff of the Comptrol ler's office,) together with the latest profit and loss statements, study them, and take personal instructions from the Dewan.

The reports relating to all audits ordered by the Dewan should first be submitted to him through me before any actio is taken.

Mr.K. Panduranga Rao,
Auditor, G.R.S.)

13/8

13/8

As directed, I have taken instructions from the Dewan Sahib who was pleased to direct that I may take up the administrative audit of the Industrial Concerns beginning with the Industrial Workshop. Draft intimating the Director of the proposed audit is put

Dass. no. G. 40/3/KB 29.8.28 K.P. for a brown is

N. B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

1239

G. R. S. III-2]

General and Revenue Secretariat.

Urgent 4.

The File No. 75 of 1922

Serial No.	
5)	The draft of the audit note as sent up after an examination of the records & registers of the Industrial workshop. The note may kindly be ordered to be typed for submission K P 6/10/23
	Yes - 10/10/23
6)	A typed copy of the audit note of the Industrial workshop is sent for orders. K.P.- 13/10/23.
	Yes 13/10
	Chapters)
7)	Mr. Rubenstein & Mr. Dewey. Mrs. Reeves (after completion of the report may be submitted as finally as possible.)
	Yes 15/10
	Yes Dey)
	Yes 15/10
	Dewan) Here are the 2 audit reports, reports & memo. 40 L.
8)	Yes 16
	Yes 16

GEN. & REV. SECRETARIAT
OCT 1923
INDUSTRIES & COMMERCE
BRANCH.

DEWAN'S OFFICE.
Recd. on OCT 16 1923
Reg. No. 2503

NOTE—Contn. sheet.

Mr. K.P. Reed
17/10/23

G. R. S. III-2)

General and Revenue Secretariat | File No. of 19

Serial No.

Comprehensive draft order reviewing the working of the Central Industrial Workshop and passing orders on the various proposals received from time to time from the Director in connection with the working of the Concern and indicating future policy.

8(A) These files realte to the several questions that have been raised from time to time in connection with the working of the Central Industrial Workshop. The questions classified are as follows:-

1. Previous history of the Concern.
2. Development of the Institution.
3. Results of the working half year/after half year.
4. Revaluation of the fixed and floating assets.
5. Revision of Establishment.
6. Revision of labour roll and Provident Fund Scheme.
7. Adjustment of capital and revenue expenditure.
8. Provision of Working capital
9. Reviewing audit reports.
10. Future policy to be adopted.

I have now suggested a comprehensive draft order covering all the above points.

8(B) It was considered desirable to treat all the questions once for all and together, especially in view of the fact that the Govt. have directed that the concern should be relieved of all handicap and permitted to operate with a clean slate in the future.

NOTE—Contn. sheet.

G. R. S. III-2)

General and Revenue Secretariat. | 9fc File No. 22— of 1923

Serial No.

8(c) As regards some of the minor points arising from the various orders of Government and proposals received from the Director he may be asked to obtain separate orders.

8(d) I very much regret that there has been some delay in submitting these files with the draft order which was unavoidable as works of the I & C Branch has uniformly been heavy and pressing and in addition during the past six months I have been continuously entrusted with additional work of the G.M. Branch and the Central Recruitment Board. The preparation of the draft order involved much study and time which I could not easily find amidst my other pressing work I beg to be very kindly excused for the delay.

8(e) The draft order now put up is for consideration and orders.

14-11-23

29.11.23 2nd Member)

NOTE—Contn. sheet.

~~G.~~ R. S. III-21

1239

General and Revenue Secretariat. | I&C File No. 79 of 19 22

Serial No.

Rd. 20/10. from mr R.P. Rae.

GEN. & REV. SECRETARIAT 20 OCT 1923 INDUSTRIES & COMMERCE BRANCH.

9) Submitted to the Assistant Secy. Dr. to whom the previous audit reports referred to above were submitted soon after their receipt in the branch.
SRy
20.10.23

10) These reports have been submitted to the Secretary with a comprehensive statement on the subject working of the Central Industrial Workshops.
MS
27.11.23

Submitted
11) 27.11.23. May this file alg. ~~together~~ with the 2nd number of Rev Secy.
SNR 29/11

12) II (number)
ISNR 30/11

743
30.11.23

13) Please see my general remarks on the draft order & note replies thereto.
Also please put up a
27/11/24

14) Vide
A note containing the information
is placed below
MS
8.1.24

258
8.1.24. 2nd number)

NOTE—Contn. sheet.

Ref 79-22

- the previous page 9 marked 28.5-1940
was by error omitted & typing error.
Please see the enquiry letter initialled 284-40
(DEC) in the collection.

Page 11. The words "the contribution
~~[illegible]~~ to be made by him for"
have been inadvertently omitted
& indicated in square brackets.
Please see the Balance sheet dated
and accompanying his letter
of 3rd October 1940.

Page 13. Part VII. Please see extract
from Auditors remarks quoted in the
margin.

"Works are being carried out for
other Departments and outstanding
debts are being made up to date so
as to be sent for value quarterly
so supplies up to date. The Works
Department do not provide for liabilities
in their accounts ---- Part VII
practically Outstanding & work prepaid

Page 16. The statement was received
about 2 months ago and directed
the Works Manager to pursue
further and the Audit to
arrange for prompt receipt quarterly.
The date of the Auditor's letter in
has to be ascertained after reference
to the Works. The "third
paragraph" and "contingencies
provided as follows" in
Year's statement received from the
Auditor with his letter of

Page 17. (2) Because the value of
articles upon which duty has been
inflated owing to high wholesale charges,
instead of the inflated value duty be-

Note

15) The following information is submitted in answer to the Members' queries on the draft order re Carlisle Rod. Workshop

Page 7. The amount of Rs 20643-4-4 is the depreciation on the value of the buildings which allowed as is made clear in the books. The present value with them is Rs 165527-1-9 minus 20643-4-4 = 144883-13-5 on which amount interest will normally have to be provided but instead the Director proposes to pay rents at a certain rate for the buildings.

Page 9. It is usual in Commercial firms to have a competent technical man who will be entrusted with the work of costing. This important work is done, anywhere now and no [illegible] scientific Costing methods are followed. If a separate man is appointed he will attend to this work which will help in many complaints in the part of customers and prospects. Guide off excesses and to prevent undue wastage and loss. The final word is to appoint such a man.

Page 10. The date of Govt. order 23.12.1918 is correct. The date of Director's letter quoted

Re 79/22 8

fixed & floating capital & the amount their handicaps have been removed and the accounts placed on a new Capitation basis since July 1922. - please see paragraph No. 8 thereof dated 14. 11. 1921 also.

Page 17 (3) "either" is a mistake in typing for "working". The Director wants the ~~extension~~ credit for working capital to be increased for future ~~extra~~ operation to meet the increased prices and bad debts and for such purposes may be fixed at Rs. 1 lakh.

Page 17 the words "to be increased" have to be deleted.

S. 1. 24.

Secy. Member)

G. R. S. III

General Revenue Secretariat

File No. 79 of 1922 9

Serial No.

REVENUE 9 JAN 1924 SECRETARY

16) A fair draft (in duplicate) as revised hereon may be put up for approval & issue.

9/1/24

9/1

17) Submitted with a fair draft. In this connection it has to be noted that the transfer of the C.J. workshop to the Iron works at Bhadravati is separately under consideration and a list of the machinery etc. of the workshop was obtained from the Director Ind. and sent to the Govt. Director of the Iron works.

It is also for consideration whether the Financial Secty has not to be consulted in the matter of revising the scale of Cl. IV etc. 18) Submit for pursuing

15-1-24 (Revised)

19) II Member

561 22-1-24

20) Please see my personal remarks on P.N. 18 of the dossier, and express thereon.

23/1

NOTE—Contn. sheet.

REVENUE 23 JAN 1924 SECRETARY

(125)

G. R. S. III-21

10.

General and Revenue Secretariat.

I&C File No. 79 of 19 22

Serial No.

21) Submd. the figures with both cases have been verified and corrected.

8/1/24 22) Correct figures are noted as in member's duplicate. Original figures were wrong owing to miscalculation

SNM 26/1

Rev Secy

25/1

64
25-1-24.

23) II (Initials)

24) (Draft order attached. Both the clerks who prepared drafts or any of the higher officers through whom the papers have passed have committed mistakes and the figures should have been checked by them before submission for orders. Even after the mistakes were pointed out, the figures have been checked by them before submission for orders.

I hope such carelessness will not occur again.)

DEWAN'S OFFICE
Recd. on JAN 26
No. 5239

REVENUE
26 JAN. 1924
SECRETARY.

REVENUE
28 JAN 1924
SECRETARY.

25 Draft approved. Orders may be issued for Dewan's personal & special order.

25/1/24

26 Dewan SNM 26/1 26/1 SNM 26/

NOTE—Contn. sheet.

G. R. S. III-21

General and Revenue Secretariat. | File No. 79 of 1922

Serial No.

H 13957/23

29) Heavy Motor, 4 remarks

28) I have gone through the draft and I do not know if it is the intention to publish this order or not. As it is proposed to continue the institution and require it to work on improved lines, I do not think it is very desirable, if it is the intention to publish the order, to include in it, in such great detail, its past history characterised by the features mentioned in the draft. If, however, it is not proposed to publish the order, I do not see any object in the recapitulation which runs to 16 pages. I would limit the order to the points calling for definite instructions.

29) I offer a few remarks on some of the paragraphs of the draft.

(1) In several pagagraphs, figures are taken from the balance sheet of this Concern. I do not know the balance sheet for what particular period has been used for this purpose. In any case, it would be well to have the figures ~~reproduced~~ taken from the balance sheet, verified by the Comptroller.

NOTE—Contn. sheet.

P.T.O.

G. R. S. III-2]

General and Revenue Secretariat. File No. 79 of 1922

Serial No.

Para 12. One of the proposals of the Director is that credit for working capital should be given to the extent of value of articles manufactured prior to July 1922, proposed to be separated and shown under an independent head in the accounts. I do not quite understand what is exactly meant by this proposal. If it means that irrespective of the disposal of these articles and of the value of that they fetch, an equivalent working capital should be allowed, I think the arrangement cannot be accepted. What working capital this Concern requires in its present circumstances, burdened as it is with bad and doubtful debts has to be separately considered fixed taking the realisable value of these articles -

Para 13. It is proposed to accept the valuation of the different kinds of assets as now suggested by the Director. If this means any further writing down of capital, it will be necessary to write off the difference as loss in the General Revenue account of Government in the current year.

Another proposal made in this paragraph is that the Workshop should be required to pay interest upon the written down value of the building. I understand, however, that under an order of Government the building in which the Workshop is located is not considered as owned by the Concern at all and that its value is not on its balance sheet. It is considered

NOTE—Contn. sheet.

Serial No.

considered as a Public Works building and the Concern is only required to pay rent. What rent should be paid by the Workshop has, I think, to be settled according to the rules of the Public Works Department and in relation to what is now considered as the reasonable capital value of the building.

Para 15. It is not usual to refund bonus additions (5) made to provident funds until the subscribers actually leave service. I do not understand why a departure from this important rule is proposed.

Para 18. If the separation of expenditure on train- (6) ing of mechanics and making experiments should be mad the result will be additional expenditure to be borne by Government under the head "Industries & Commerce."

Para 19. Instruction No. (2) states that work done (7) for Government Departments should be only against grants provided for in the year's Budget. The authorities of the workshop cannot be held responsible for the carrying out of this direction. The heads of the respective departments should be held answerable.

Para 20. Revaluation of the stock on hand apparent- (8) ly means loss which has also to be transferred to the Government account.

30) I do not quite follow the distinction drawn between self-supporting basis and profit-earning

Serial No.

profit-earning basis. To be self-supporting, the Concern should at least pay interest on capital and if it satisfies this condition, it should be considered as earning a profit using the term profit in the sense of return on capital. The return may be the ordinary rate of interest or more.

Mull 1.2.23

31) Dr Perusal

SM 2/2

32) Rev Secy) Plan bring up with reference to a points not raised by the Dy Secy. Dy need to be noted upon before submission to Members of Board

Returned by Mr Lacy for instructions up a note SM 13-2-24

33) Submitted :—

The balance sheets for the respective half years audited by the Comptt. have been taken as the basis for the figures furnished in paragraph 5 of the draft. In regard to the re-valuation of the assets the figures mentioned in paragraph 8 of the draft seem to have been based on the recommendation of the Director contained in his letters dt 28.7.22 & 13.12.22 in the file re- revaluation of assets kept below

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | File No. 79 of 1922

Serial No.

and these figures have been noted upon by the Comptl. unofficially in the office notes; but if these figures have to be brought up to date the Director has to be consulted in the matter. (The book-value of the buildings and of furniture could not be verified).

This means that the question has not been settled so far. The losses sustained may be written off.

SM

The draft was prepared by the Asstt. Secy. in charge. The figures given in the Table (col-Book value) may perhaps be omitted.

SM 16-2-24.

34) What working capital may be considered as adequate for the requirements of the concern keeping in view that a large amount has been locked up in manufactured articles is for consideration and orders.

Please see para 16 of the Director's report in which question of working capital is dealt with.

SM 2/III

35) If the revaluation proposed has to be accepted the writing down of the value of the assets follows as a matter of course. The amount to written down will have to be written off and ~~such a course was adopted in the draft submitted by the office~~ and whether such a course has to be adopted or not is for orders.

Para 13 is clear & says that the figures will be

SM 2/III

If not, the figures furnished by the Director in para 13 of his report

SM 2/III

36) The references quoted by the financial Secy. about the buildings being considered as pertaining to

K

NOTE—Contn. sheet.

General and Revenue Secretariat.

File No. 79 of 19 22

Serial No.

The Dept. of Public Works was quoted by the Compt. Genl. in his unofficial note dt. 13. 8. 1922 (in the file re-revaluation of assets kept below); and the rent has to be fixed at 8% on the proportionate capital cost of the portion of the buildings occupied by the C. D. workshop. Whether the cost of the buildings should or should not appear on the balance sheet of the concern, and if rent has to be paid what amount has to be provided for annually, are for orders. If considered necessary the Dept. of P. W. may be consulted.

Para 13 proceeds on the assumption that the building belongs to the Govt. but it does not belong to the Govt. of India but to the Secretary of State in Council.

37) As regards the refund of the bonus additions of the provident fund it is for orders whether the employees getting a refund should not be considered as leaving service for the purposes of the provident fund as the monthly wages system is to be abolished.

38) The remaining observations of the Finl. Secy. numbered (6)(7)(8) do not require any explanation. The remarks about the distinction between

NOTE—Contn. sheet.

General and Revenue Secretariat. | File No. 79 of 1922

Serial No.

Self-supporting and profit-earning are for perusal and orders.

8/2
16.2.24

1 Govt orders —

2 As regards para 9 of the Financial Secy's note it does not appear necessary to publish the order — The question of limiting the scope of the order as suggested by the Financial Secy, is for orders —

3 The other points raised by him have been answered at the office note & may I remarks of the Hy.

SMR 27/2

Rev Secy
H Chandy

Reg-3
SMR 28/2

200
11.3.24

4 Please see my marginal remarks at the end of page 15 to 16.

5 I don't see any harm in bringing to the notice of Govt the circumstances leading to the sanctioning of reorganisation as mentioned in the recapitulation in para 4 of the note, and asking for orders, as to whether it should be maintained.

6 The only way of the application will be to bring out clearly in the proposals for reorganisation that it will be open to the Government under the orders

NOTE—Contn. sheet.

G. R. S. III-21

General and Revenue Secretariat.

File No. 79 of 19

Serial No.

45 [illegible]

45 [illegible]

46 Please have the kindness [illegible]

47 [illegible]

NOTE—Contn. sheet.

G. R. S. 111-24

General and Revenue Secretariat. | I & C. File No. 79 of 19 22

Serial No.

Draft put up
27.5.24

Issue & Submit
SNR 28/5

7363/ dated 28-5-24.

39. Director of Ind & Com.

Enquires whether the prospectus statement has not to be altered and calls for its resubmission thro' the Comptroller with necessary alterations and verification so as to bring it upto date.

Resubmitted after issue

Issued after Print
29.5.24

Dft pursued

48 The Dft was revised & Circulated as per member's orders and was ready for Submission but during the Course of Verification of the figures, the details of the Cost forwarded & the Dft did not tally with those given in the Dft: The Dft has therefore been Addressed in the matter. As soon as the info: is rec'd, the Dft will be Submitted

SNR 30/5

Rec'd

SNR 30/5

SECRETARIAT
30 MAY 1924
INDUSTRIES & COMMERCE
BRANCH

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | Ptc. File No. 79 of 1922

Serial No.	
42	From the Comptroller No. 1072 D/ 18.6.24. Forwards with certain remarks the revised proposition stated Director recd from the Director
49	The annual savings will be Rs 3768-2-3 (complete figure) or not less than Rs. 1368-2-3 in case the Director is authorised to entertain temporary staff up to Rs 200 p.m.
50	The pay of the Asst Supdt is fixed at Rs. 150-15-300 in the statement sent in the other file (re revision of the arrangements for the control of the workshops) The member has proposed that the pay be fixed at Rs 150-10-250 but the Director wants it to be as originally proposed: Final orders on the latter file may perhaps be awaited
	Sir 5/ 23.6.24. Figures in paras 7 and 14 of the DOI have to be altered in the light of revised proposals sent up — Also for Ptc through the Comptr — Detailed ships have to be put up in appropriate places; Separate revised files and the file brought up in person & the Ramp Rao without delay — SNR 2/7

NOTE—Contn. sheet.

G. R. S. III-2.

General and Revenue Secretariat. | JDC File No. 79 of 1922

Serial No.

S[illegible] Revised Dft pursuant to Ref[illegible] paras 44 and 45 of the Note Supra. The recapitulatory portion of the Dft has been revised by 4 new pages and the figures revised in the light of the latest proposals of the Dr Dte. The paras wherein the amounts have also been marked. The delay in submitting the Dft was due to the delay in the receipt of the revised proposals from the Dr Dte through the Comptroller.

SM 7/7

Rev Secy

5-3 Draft as revised for approval

P.J.C. 7 SM 31/7

155/68

5-4 (Action taken)

I am directed to send herewith the Draft Despatch for favour of his remarks and the proposed Despatch.

VG 8/9

P.C. 9.9

NOTE—Contn. sheet.

G. R. S. III-2]

WD 2310—GPB—10,000—31-5-24

Generai and Revenue Secretariat.	Ire File No. 79 of 19 22
Serial No.	53

Forwarded with Compliments to the Director of Industries & Com in Mysore for favour of remarks & return of file early By order

S. Narayana Rao
6/5
for Secy Rev. Dept

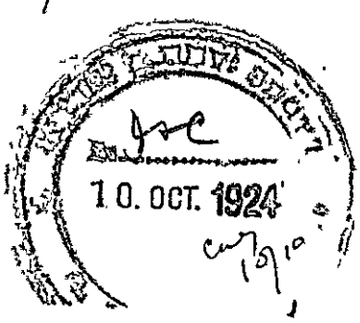
10-9-24

(Please Turn over

NOTE —Contn. sheet.

18469

No. 240.4
1216
5/10/1924



57) As observed by the Financial Secretary in his note dated the 1st. February 1923, it does not seem to be desirable to dilate so much in the draft on the defects of past working for which the present officers are in no way responsible and in regard to which drastic action has already been taken which has brought down the losses on current working to a comparatively inappreciable figure. It seems sufficient merely to refer to the various Government Orders, if necessary, by way of introduction under which the defects referred to have already been rectified.

2. The points to be now settled are:

(1) Future programme of operations & work;

(2) Fixing the Establishment at a minimum on the basis of work to be expected for the Workshop.

(3) Re-valuation of machinery and plant according to the current market value, so that the overcapitalization of the concern due to the heavy cost at which the expansion was undertaken, when conditions were most abnormal may not serve as a perpetual handicap to the profitable working of the concern.

(4) Rent to ~~kk~~ be paid on the buildings;

(5) Re-adjustment of the working capital.

3. As regards (1) & (2), Government have substantially accepted my proposals.

In regard to the establishment, the only point that has been overlooked is my request that as the establishment has been reduced on the present basis of work, discretion should be given to me to entertain /

24

entertain additional establishment if necessary to an extent not exceeding Rs.600/- per annum when the exigencies of the work require it (~~Vide para 7.~~).

4. I am interested in showing the best commercial results and unless some such discretion is vested in me, it will not be possible to effect adjustments when there is a sudden rush of work. There is a certain class of work which it is not desirable to provide for by employment of additional men on --- wages and it is to meet this contingency that I have asked for this power. Such a power is vested as a matter of course, in the Manager of any commercial concern. I have no objection to report tp Government each such case with full reasons.

4. I am aware that the motor section as constituted at present is not working satisfactorily and so ~~so~~ work in this section has been practically stopped. There is however no suitable workshop for repair of motor cars in the Bangalore City. All such workshops are concentrated inx the Civil & Military Station and even here one or two ~~xxxxxx~~ reliable firms have since closed. The main reason why cars are sent to the Workshop is that it has facilities for the manufacture of parts that cannot be done elsewhere. In fact, outside motor repair workshops use the Organization of the Central Industrial Workshop for the purpose and I would not ---- therefore make att "VI on page 15 so peremptory, discretion being allowed to take such work if the parties specially desire it or the repairs involve the manufacture of special parts.

In my humble opinion, owing to the large increase of cars and other motor vehicles and the opportu-

nity/

28

opportunity that such a workshop will afford for under-going special training, it would be very useful if it could be developed under the direction of a good Motor Engineer. If Government could sanction the appointment of a man on about Rs.300/-, this Section is likely to prove extremely remunerative.

5. I am glad that Government have accepted the principle that the Workshop should be allowed a margin for losses due to training of apprentices and purely experimental work. Mr. Balasundaram Iyer in his note dated 30-9-21/7-10-21, has estimated this amount at Rs.15,000/-. From my experience of the workshop for the past 3 years, a provision annually of Rs.8 to 10 thousand will suffice for the purpose.

It is proposed to concentrate on the manufacture of certain standard articles and the facilities suggested in the draft for extending the business by the appointment of suitable agents and travellers will be of material help.

6. As regards buildings, I have in my note dated 14/11/1921 given reasons why it is not fair to any commercial concern to charge the entire capital cost incurred in constructing the buildings that were undertaken without any proper plan or a regular design of buildings most suited to a workshop. The Central Industrial Workshop has suffered by being combined with other institutions of the Department such as the Director's Office, the Soap Factory, Arts Workshop &c and it is not fair to throw upon it all the extra cost necessitated by providing for the requirements of the different concerns.

According to the figure given in the draft, the buildings are now valued at Rs.1,44,883-13-5. Interest even at 5 per cent on this figure comes to the large figure of a little more than Rs.600/- a month little/

26

little more than Rs.7,200/- a year or Rs.600/- a month, approximately. If the Director's Office is to pay out of this only Rs.100/- a month, it will be obvious how, if the Central Industrial Workshop is to be saddled with the bulk of the balance, it will cripple the workshop. Neither the Railway Workshop nor the Electric Department Workshop pay any rent separately on the buildings and I am ---- strongly of opinion that the same principle should be applied to commercial concerns housed in Government buildings they being responsible to keep them in a proper state of repairs, for, if the concern makes sufficient profit to allow of the payment of rent, this will go to Government out of the profits whether it is paid as rent or not, while, if the concern is not able to make any profit to meet this charge, it will be a mere book entry. If Government are not in favour of extending this principle to the Central Industrial Workshop, my alternative ~~principle~~ proposal that it should be charged a rent of Rs.200 per mensem the amount that it would have to pay for a private concern of a similar magnitude, may be accepted.

I agree. ✓
to [illegible]

7. In regard to the 3rd.point the re-adjustment of working capital, my difficulties are as follows:

Though I have been doing my best to liquidate stocks accumulated prior to 1922, the progress has been very slow and the following amounts are now locked up in respedt of these transactions:-

Rs.14,000	Finished Stock.
8,000	Work-in-process.
30,000	S t o r e s, or roughly Rs.52,000/-.

It may be urged as to why this should be a hardship when the total sum drawn as working capital

amounts/

27

amounts to Rs.1,78,103. As the Arts Workshop is now amalgamated with the Central Industrial Workshop, a sum of Rs.27,340/- had to be advanced to that Institution to keep it going as it had exhausted all its working capital and Government would not advance any separate amount to that institution. The outstandings from Government Departments alone are Rs.43,514/-. In spite of every pressure brought to bear upon them to adjust these amounts the results have not been altogether satisfactory. As it is difficult for them to meet --- these old demands due for items of expenditure incurred in previous years from their current year's budget grants, interminable correspondence is resorted to on petty details. This is the reason why I suggested transferring all these old items to a separate account pursuing each case as vigorously as possible and after having exhausted every means of recovery, write off eventually whatever amounts cannot be recovered. It will be seen --- that as against a sum of Rs.1,78,103/- shown as amount of working capital of the concern, a sum of Rs.1,22,854/- has been locked up in the manner indicated above, and only a sum of about Rs.65,000/- is available to its credit. I would therefore suggest that the Workshop should not be made to pay interest on the sum of Rs.1,22,854/-, the recovery made on this head being credited to a separate head.

Though Government stopped the facilities, the Central Industrial Workshop enjoyed prior to 1922 of drawing monies from the Treasury for working expenses as required, practically without limit, I have with the greatest difficulty managed to keep the Workshop going without coming

up /

up to Government for any additional grant and this is all that would be possible so long as the bulk of the capital is locked up in transactions that took place under a system when commercial rules were not strictly insisted upon. According to the improved system of accounts sending up --- bills &c, such locking-up of working capital - has been practically stopped. No additional working capital is asked for at present.

8. It is not necessary to incorporate in the draft any strict rule to the effect that 25 per cent of the cost should be invariably deposited or the period within which each account should be adjusted though these instructions will be complied with as far as possible.

9. As regards the irregularities referred to in para 22 of the draft order, action is being taken to set them right. It does not seem to be necessary to attach a list of the same to the draft. They may be sent to me separately and I shall take necessary action and submit periodical reports of progress, if required.

10. So far as the general public is concerned, I am glad to say that their confidence in the Workshop is being gradually revived and in fact, it is now mainly dependent on private orders. I may mention in this connection that the Workshop of the Industries Department, Madras and other Government Workshops elsewhere depend entirely on Government orders, whereas, here the Government Departments do not co-operate sufficiently with the Central Industrial Workshop in entrusting

their/

29

their work to us, in spite of Government Orders directing them to do so. I have assured the Heads of Departments that I am prepared to allow them all facilities to inspect the work and see that their requirements are satisfied. Government should issue an order directing Government Departments to give priority to the Central Industrial Workshop provided our ~~rules~~ rates and other conditions are not less favourable than those obtaining elsewhere and the Industrial Engineer in charge, will be made responsible for the satisfactory and punctual execution of the orders.

DIRECTOR.

SDN-2)

GEN. & REV. SECRETARIAT
12 OCT 1924
INDUSTRIES & COMMERCE BRANCH.

G. R. S. III. 2]

WD 2310—GPB—10,000—31-5-24

General and Revenue Secretariat. | File No. 29 of 19 .

Serial No.

57) Submitted, with a draft notification, for orders.
RRK 11.10.24 VS 12.10.24

58 For orders - Points for notes marked in pencil.
SM 25/10
RK 29.10

Rev Secy
II 9n.) 5126/30-10 Please see my marginal remarks in the draft notes.
SM 30/10

A revised draft may be ~~submitted~~ accordingly for approval
2

2c.
3 4 Feb/25
SM 3/1

59. Resubmitted with necessary alterations. Vide pencil notes at pages 15, 17, 20, 21, and Appx. of the draft already submitted. Fair draft will be submitted after final approval
RRK 7-11-24
VS

60 A revised draft may kindly be submitted as marked
SM 5/1

61 Fair draft submitted
RRK 6-1-25
VS

NOTE.—Contn. sheet.

Serial No.

63 The Dft has been revised & redrafted for Consideration — an account of pressure of work and holidays it is regretted that has been delay

SM 9/1 12.1.(5)

Rev Cell

H. M. 1

SM 10/1

197/10.1

64 Works regarding the Second Inspectorate which will be under report & separate cover. Dept. is to be prepared on the lines of remarks in page 14 of the Dept. Report on the Factories (Amendment) Bill 1925 and the proposed Rules framed thereunder relating to the Workshop Establishments in charge of General Engineering & Electrical Engineering works & in which Electricity is generated or used.

~~The Dept may then be submitted for~~

12/1

19/1

65

Action directed in the attached as discussed

28.1.25

67 Put up typed fair draft (tw)

NOTE Continuation Sheet

29/1

Serial No.

58 Typed draft. putrush.
The first Draft has been already typed & disposed by Circular
28.1.25 & will be retyped if considered necessary.
VS

For approval
Rev. Sec.
13/11/25
II Mg
29/1
31.12

1/2 The Draft records the audit report with Certain observations
approved by the Govt.

70 The Draft regarding the reorganisation of the Workshop may be sent to the Secy for favour of his remark before it is submitted to the Govt.

2/2
3/12
31/12

To Director of Ste. & the Comptroller
No. I.C. 5200-1/ dt. 2. 25
Records with Audit observations the audit report on the accounts of the C.I. Workshop for the half year ended 31.12.1922

43.

NOTE—Contn. Sheet

General and Revenue Secretariat.

Ste File No. 79 of 1922

Serial No.

71 ..... Resumed with reference to remarks recorded here in para 70 supra

MK 6-2-24 For convenience of the Dept. once more the necessary Chief Min's order in para 70)

Fin Secy)

Fe 17/39

17 FEB 1925 No. I. 6002

GEN. DEPT. INDUSTRIES & COMMERCE BRANCH

No remarks

With ref to the Min's remarks recorded 14.2.25 in para 70.

Rev Secy

II Min

383/16.2

16/2

This may be submitted to Govt for kind orders on the proposed reorganisation of the Dept. and the proposed

Secy

17/2

Govt

Min

23/2

Chief Secy

Secy

C.S./Circulate.

24.2.25

NOTE—Contn. Sheet

94

(For Disposal at a Meeting)

No. C. 324.

1924-25

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

(Clause xii of the Schedule)

SUBJECT.

Re-organisation of the Central Industrial Workshop, Bangalore.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

Offg. *Chief Secretary to Government.*

25th February 1925.

Extraordinary Member of Council.

6972/25

First Member of Council. 25/2

6978/25
2-3-25

Second Member of Council. 3/3/25

Third Member of Council.

35

Extract from the Proceedings of the 731st *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the* 11th March 1925. *19*

174. Subject. - Clause xii of the schedule.

Re-organization of the Central Industrial Workshop, Bangalore.

OPINION OF THE COUNCIL.

The draft order may be approved.

(Signed) Mir Humza Husein,

Offg. Dewan of Mysore.

"EXTRACT"

Chief Secretary to Government.

WD 1471—GPB—2,000—1-3-21

96

G. R. S. 12]

W D 473—GPB—1,000—12-9-18

C 324.

General and Revenue Secretariat. | File No. | of 191

Subject.- Re-organization of the Central Industrial workshop, Bangalore.

*9. (a) If the views expressed by the Financial Secretary in any case, whether original or un-officially referred, are not accepted by the Member of Government in charge, or by the Dewan and Members of Council, as the case may be, the file containing the discussions shall be sent to the Financial Secretary a second time, in order to enable him, in cases in which he considers that the orders proposed to be issued are opposed to financial rules of Government or to recognised financial principles or for other reasons of a financial nature, are open to objection, to record a respectful representation to that effect, which will be placed by the Dewan before His Highness the Maharaja for consideration.

(b) All cases sent to the Financial Secretary under this rule should be treated as immediate and returned to the Department concerned within three days of receipt.

Extract from the Proceedings of the Council is put up.

Forwarded, with compliments, to the Financial Secretary to Government, under paragraph 9 * of the Government Order No. G. 17572-8—G. M. 676-17-1, dated 22nd June 1918.

By Order,

Chief Secretary to Government.

16.3.25

Submitted to the Member for final note.

16.3.25

(Final Note signed by the Member is put up.)

S. N. Subb.

Dewan)

874(2

84

47/203

K.O. 576

Final Note by the First Member of Council.

—•—

Subject:—

Reorganization of the Central Industrial Workshop, Bangalore.

—•—

For reasons explained in Mr. Banerji's Final Note dated 19th July 1917 and with a view to manufacture and supply to the people simple machinery and to undertake repairs of machinery as also to give practical instruction to students of the Mechanical Engineering School and to others fit to undergo advanced training, the establishment of a Central Industrial Workshop was considered necessary and it was ordered in G.O. No. 3005-55/I. & C.144-16-2 dated 17th September 1917 that the Public Works Workshop be converted into an Industrial Workshop under the control of the Director of Industries and Commerce. The buildings and the machinery of the P.W. Workshop valued at Rs.1,05,841 and the establishment costing Rs.1,058 1/3 per mensem were accordingly handed over to the - - Industrial Department, with the direction that the Workshop should be run strictly on commercial lines. The strength of the establishment was subsequently augmented from time to time so that the total expenditure of the establishment now is Rs.1,732 17/18 per mensem as against Rs.1,058 1/3 in September 1917. Some 300 workmen who were employed in the old P.W. Workshop on either daily wages or piece work system were continued on the same system in the Central Industrial Workshop till the year 1918 when, on a recommendation from the Director of Industries and Commerce, the workmen were - classed into two sections, one paid on daily wages or piece work system and the other consisting of 100 permanent trained workmen with graded pay with a provident fund scheme for their benefit subject to the condition that the services of these men would be

liable to termination if the workshop were either abolished or its operation curtailed at any time. (vide G.O. No.5792-3/ dated 23rd November 1918.)

Notwithstanding the creation of so many facilities for making the Central Industrial Workshop a success, it has been found from the half-yearly balance sheets and audit reports that the concern has been working at a loss from its very commencement, the total loss up to the end of December 1922 alone being about Rs.332,990. This is attributed to (1) the unusually high value set upon the assets (buildings and machines) of the old P.W. Workshop transferred to the Industrial Workshop, (2) the debiting to the Workshop of the interest on the book value of the building instead of charging a reasonable rent therefor, (3) the non-realization of the arrears outstanding from the time of the transfer of the old workshop to the Industries and Commerce Department, (4) the locking up of the working capital in the shape of finished goods, work in process, book debts and stores, (5) the heavy expenditure on labour as compared with the actual turn-out, the work being insufficient to keep engaged all the workmen employed on the system of consolidated monthly pay and (6) the absence of any definite programme of work to be turned out in the workshop etc. With a view to set right the above-mentioned defects and improve the working of the institution so as to make it efficient and self-supporting, a comprehensive order reviewing the working of the institution during the past nearly 7 years of its existence and indicating the future policy has been put up at my instance. The draft order giving a short account of the past history of the institution and the defects observed so far in its workings is calculated to give it a fresh start by relieving it of all handicaps so that it may operate with a clean slate in future. It sanctions a re-valuation of the fixed and floating assets of the institution, the revision of the supervising and clerical establishments by fixing them

at the minimum requirements, the revision of the labour roll and the provident fund scheme and the discontinuance, with a few exceptions, of the present system of employing labourers on the monthly pay system and the revival in its place of the system of the payment of daily wages. The draft order enunciates the future policy of the concern by laying down that the workshop should serve the following 3 distinct purposes:-

(1) To repair, manufacture and supply articles and machinery for Government Departments as well as to private individuals;

(2) to afford facilities for training mechanics; and

(3) to conduct experiments.

The order also contains instructions to the effect that the workshop should as regards the first of its 3 functions be conducted purely on commercial lines by manufacturing articles, as far as possible, only against firm orders accompanied with deposit of 25 per cent of the value of the order, by discouraging the credit system and by facilitating the ready disposal of the manufactured articles by wide advertisement etc.

Attached

The draft order having been discussed and approved at the meeting of the Council held on the 11th instant, I submit it for the gracious approval of His Highness.

OFFG. FIRST MEMBER OF COUNCIL.

7/4/25.

7-4-1925.

Submitted to His Highness.

I submit herewith a Final Note by the First *Member of Council on the subject of* Re-organisation of the Central Industrial Workshop, Bangalore.

for His Highness' gracious approval.

Dewan.

9 ADR 1925

STATEMENT OF CASES SUBMITTED FOR THE ORDERS OF HIS HIGHNESS THE MAHARAJA DURING THE TOUR OUTSIDE THE STATE IN April 1925 101

Serial No.	Subject	Recommendation of Council, or Member of Government in charge, as the case may be	Dewan's recommendation	Orders of His Highness	Orders regarding submission of files (*vide* foot-note)
566	Re-organization of the Central Industrial Workshop, Bangalore.			6824 approved by His Highness 1664 C in Workshop 19/4/25 Rev. Secy 25 APR 1925	

NOTE.—The letter a, b or c may kindly be inserted by the Private Secretary to His Highness in the last column to indicate whether—
File may be submitted at once ... ... a
File may be submitted after His Highness' return ... ... b
File may not be submitted at all c

WD 1212—GPB —500—7-1-19

C 324

General and Revenue Secretariat

Re-organization of the Central Industrial work Shop, Bangalore.

(*).

31. All urgent or confidential files returned with His Highness' orders may, in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circlated to the Members of Council at headquaters and then sent to the Secretariat coneerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before /~~after~~ issue of orders. (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

Chief Secretary to Government.

Through the Secretary to Government,

Revenue. Department.

29.4

760/29.4

FIRST MEMBER OF COUNCIL.

29/4

SECOND MEMBER OF COUNCIL.

30/4.

30/4

EXTRA MEMBER OF COUNCIL.

NOTE- Contn. sheet.

5551

General and Revenue Secretariat.

I.& C. File No. 79 of 1922

Serial No	
	Fr 2497
	Fuel Secretary has concurred (W). Subd with Dft & Fair copies Pm 6.5.25 Read 7-5-25
	To, The Comptroller Fl 6013 dated 7.5.25
44	To. The Director of I.& C. " Comptroller & Govt. Insp. Fuel Secrets " Heads of Depts. " Deputy Commissioners of Districts. I.C. 7425-84/I.& C. 79-22-44 dt 5.5.25. Pass order regarding the reorganisation the Central Industrial Workshop.

GEN. & REVENUE SECRETARIAT
27 MAY 1925
INDUSTRIES & COMMERCE BRANCH.

NOTE—Contn. Sheet

Gr. S. VI—G/32]

Issue & Submit.

SUBJECT.....

.....

.....

Diary No. of letter replied to

General and Revenue Secretariat

( )

the *191*

Section I & C.

File No. 79-22

Serial No 39.

No. I.C 736 / E.S. Malak.

Date of issue 28/5/22.

Signed by A. C. Kumar

"for"

To

The Director I & C

Sir,

In returning herewith the Inspection Statement for the revision of the scale of the C. T. Work Shop Clerk and with your letter No. C.C. 301 dt 30-3-22, I am directed to request you to be good enough to ~~state~~ Enquire

over.

~~If the Statement of~~

~~Counsel whether proof~~

~~must of contain~~ The

~~proofs sworn~~ made

~~by you for the admission~~

~~of the part of the Prosecution~~

~~& the addition of the~~

~~party can be supplied~~

~~the prosecution should~~

~~Court required to admit~~

~~has not to be attended.~~

~~The Statement must~~

Kindly

~~therefore be~~ prepared, at above card date,

~~into the Committee~~

~~with three copies~~

~~& verification so as to~~

~~be ready at up to date~~

~~Thanking~~

~~SMR 24/~~

~~Friday 7/5~~

List of enclosures.

MK.
22-5-24

Copied by

Examined by

38631

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

GEN. & REV. SECRETARIAT
20 JUN 1924
INDUSTRIES & COMMERCE BRANCH.

Comptroller's Office, Bangalore,

No. 1078 IAD/22

Dated the 18th June 192 4

To

K.V. Ananthanarayanan Esq., B.A.,
Secretary to the Government of Mysore,
Revenue Department, Bangalore.

Sir,

In forwarding herewith the Proposition Statement in duplicate for the revision of the scale of the Central Industrial Workshop received from the Director of Industries and Commerce with his letter No.C.C.157 dated 1st June 1924, I have the honor to observe that the net annual savings come to Rs 3,768 2/3 instead of Rs 3,535 1/3 as the average cost for the Superintendent's post ought to be Rs 322 2/9 under the present scale and Rs 273 1/3 under the Proposed scale.

The Director in para 2 of the letter referred to above, appli

Finance and Accounts Form 11

(*Vide* Art. 57, C. A. C., Vol. I, and Rule 23, Part I, Chapter

Form. 200]

STATEMENT OF PROPOSITION

Name of Office to which the

Government orders sanctioning present Establishment		Nature of Charge											
		Present Scale						Proposed Scale					
				Pay						Pay			
No.	Date	No.	Designation	Minimum	Rate of Increase	Maximum	Average Cost	No	Designation	Minimum	Rate of Increase	Maximum
D.C 4629-9 / 9 Fe 121-22-19	24/1/23	1	Superintendent	200	20	400	322 2/9	†	Half pay of Industrial Engineer	400	30 2	700
		2	Foreman	100	10	150	133 1/3			—	—	—
9, C 2038-9 / 9 Fe 130-21-6	7/11/22		Personal allowance			30	30	†	Asst Supdt	150	15	300
		3	Chargeman	87	—	87	87	2	Chargeman	80	"	80
		4	-Do-	77	—	77	77	3	— do —	75	"	75
		5	-Do-	67	—	67	67	4	— do —	70	"	70
		6	Time Keeper	30	—	30	30	5	Time Keeper & Labor clerk	35	"	35
		7	Cost clerk	30	—	30	30	6	Material & Foundry clerk	35	"	35
		8	— do —	25	—	25	25		—	—	—	—
		9	Accountant	87	—	87	87	7	Accountant	87	"	87
		10	Assistant do	45	—	45	45	8	Assistant do & cashier	45	"	45
		11	-Do-	35	—	35	35	9	Assistant Accountant	35	"	35
		12	Head clerk	45	—	45	45	10	Head clerk	45	"	45
		13	Workshop clerk	40	—	40	40		—	—	—	—
		14	Deputy clerk	30	—	30	30		—	—	—	—
		15	Typist	35	"	35	35	11	Typist	35	"	35
		16	Draftsman	67	—	67	67		—	—	—	—
		17	Assistant-do	50	"	50	50	12	Draftsman	50	—	50
		18	Tracer	35	"	35	35		—	—	—	—
D C 3672-3 / 9 Fe 208-20-24	5/1/22	19	Storekeeper	60	"	60	60	13	Storekeeper	60	"	60
.M. 9608-9 / 9 Fe 31-18	31/3/19	20	Sub. Storekeeper	35	—	35	35	14	Sub. -do -	35	—	35
C 3672-3 / 9 Fe 208-20-24	5/1/22	21	Store Accountant	50	"	50	50	15	Store Accountant	50	—	50
C 2051-2 / 9 Fe 36-22-2	7/10/22	22	Ledger Keeper	35		35	35	16	Ledger Keeper	35		35

G. O. No. 9608-9 dt 31. 3. 1919 / 9 Fe 31-18

Note.—To be prepared in duplicate and forwarded through the Comptroller in Mysore and sho

150 Rs

Finance and Accounts Form 11

Fin. 200]

(*Vide* Art. 57, C. A. C., Vol. I, and Rule 23, Part I, Chapter

STATEMENT OF PROPOSITION

Name of Office to which the

Government orders sanctioning present Establishment		Nature of Charge											
		Present Scale						Proposed Scale					
				Pay						Pay			
No.	Date	No.	Designation	Minimum	Rate of Increase	Maximum	Average Cost	No.	Designation	Minimum	Rate of Increase	Maximum
							1150 5 9						
2 e 205 1-2 / 9 Fe 36-22-2	7/10/22	23	Ledger keeper	30		30	30						
3672-3 / 9 Fe 208-20-24	5/1/22	24	Attender	20		20	20	17	Attender	20		20
		25	Gate keeper	23		23	23	18					
Ja No. 9608-9 / 9 Fe 31-18	31/3/19	26	1 Peon	12		12	12	69	menial staff	68		68
		27-29	3 Peons on Wages	32		32	33 / 1568 5 9	20					
		30	material clerk	45		45	45						
		31	Foundry clerk	35		35	35						
		32	Store Clerk	23		23	23						
		33	Laskar	28		28	28	28	Laskar	18		18
		34	— do	23		23	23	29	— do	15		15
		35	— do	11½		11½	11½	28	— do	12		12
							~~1732 17~~ .18 / 1734 18						

Checked & Verified

Bare balance

2/6/1924

Due 16/6

1711 2 13 − 20 1 12 − 1 42 9 10 = 16 1/3 1734 18

Note.—To be prepared in duplicate and forwarded through the Comptroller in Mysore and sho

Finance and Accounts Form 11

(*Vide* Art. 57, C. A. C., Vol. I, and Rule 23, Part I, Chapter I

Finl. 200]

STATEMENT OF PROPOSITION

Name of Office to which the P

Government orders sanctioning present Establishment		Nature of Charge — Present Scale						Proposed Scale				
				Pay						Pay		
No.	Date	No.	Designation	Minimum	Rate of Increase	Maximum	Average Cost	No	Designation	Minimum	Rate of Increase	Maximum
DC 4627-29 Dte 121-22-19	24/1/23	1	Superintendent	200	20	400	322 2/9 321 1/9	+	Half pay of Industrial Engineer.	400	30 2	700
G.O. 9608-9 Dte 31-18	31/3/19	2	Foreman	100	10	150 30	133 1/3 30	1	Asst. Supdt.	150	15	300
G.O. No 2038-9 Dte 21-2-22	7/10/22	3	Chargeman — Personal Allowance	87	—	87	87	2	Chargeman	80	—	80
—	—	4	— do —	77	—	77	77	3	— do —	75	—	75
—	—	5	— do —	67	—	67	67	4	— do —	70	—	70
—	—	6	Time Keeper	30	—	30	30	5	Time Keeper	35	—	35
—	—	7	Cost clerk	30	—	30	30	6	Time Keeper Labour clerk Materials and Foundry clerk	35	—	35
—	—	8	— do —	25	—	25	25		—	—	—	—
—	—	9	Accountant	87	—	87	87	7	Accountant	87	—	87
—	—	10	Assistant do	45	—	45	45	8	Assistant do & Cashier.	45	—	45
—	—	11	— do —	35	—	35	35	9	Assistant Accountant	35	—	35
—	—	12	Head clerk	45	—	45	45	10	Head clerk	45	—	45
—	—	13	Workshop do	40	—	40	40	—	—	—	—	—
—	—	14	Deputy do	30	—	30	30	—	—	—	—	—
—	—	15	Typist	35	—	35	35	11	Typist	35	—	35
—	—	16	Draftsman	67	—	67	67	—	—	—	—	—
—	—	17	Assistant do	50	—	50	50	12	Draftsman	50	—	50
—	—	18	Tracer	35	—	35	35	—	—	—	—	—
DC 3672-3 Dte 208-20-24	5/1/22	19	Store keeper	60	—	60	60	13	Store keeper	60	—	60
9608-9 Dte 31-18	31/3/19	20	Sub. Store keeper	35	—	35	35	14	Sub. Store keeper	35	—	35
DC 3672-3 Dte 208-20-24	5/1/22	21	Store Accountant	50	—	50	50	15	Store Accountant	50	—	50
DC 2057-2 Dte 36-22-24	7/10/22	22	Ledger Keeper	35	—	35	35	16	Ledger clerk	35	—	35
— do —		23	— do —	30	—	30	30	—	—	—	—	—
DC 3672-3 Dte 208-20-24	5/1/22	24	Attender	20	—	20	20	17	Attender	20	—	20

Note.—To be prepared in duplicate and forwarded through the Comptroller in Mysore and sho

of the Financial Rules circulated with G. O. No. Fl. 1150—1192, d.ted 7-2-1903)

FOR REVISION OF ESTABLISHMENT

)position relates to the Central Industrial Workshop

WD 055—GPB—2,000—24-10-16

	Proposition						Grounds of Proposition	Comptroller's Report	Orders of Government		
	Permanent		Temporary						Department concerned	Financial Department	
	Increase per month	Decrease per month	Increase per month		Decrease per month						
erage cost	Amount	Amount	Period	Amount	Period	Amount			Remarks	Remarks	Orders
73½		48 8/9									
44 2/3		24 4/9 ✓									
44 2/3	24 4/3	163 1/3 ✓									
80 ✓		7 ✓									
75 ✓		2 ✓			1						
70 ✓	3										
35 ✓											
35 ✓											
		15 ✓									
87 ✓											
45 ✓											
35 ✓											
45 ✓											
		40 ✓									
		30 ✓									
35 ✓											
		67 ✓									
50 ✓											
		35 ✓									
60 ✓											
35 ✓											
50 ✓											
35 ✓											
		30 ✓									
20 ✓											
	24 4/3	448 17/8									

Value conveying Letter

ld be followed by a reappropriation statement if the proposal involves additional expenditure.

Finance and Accounts Form 11

Finl. 200]

(*Vide* Art. 57, C. A. C., Vol. I, and Rule 23, Part I, Chapter

STATEMENT OF PROPOSITION

Name of Office to which the

Government orders sanctioning present Establishment		Nature of Charge											
		Present Scale						Proposed Scale					
				Pay						Pay			
No.	Date	No.	Designation	Minimum	Rate of Increase	Maximum	Average Cost	No	Designation	Minimum	Rate of Increase	Maximum	
G.O. No. 9608-9 Dt. 31-18	31/12	25	Gate Keeper	23	✓								
		26	Peon	12	✓								
		29	3 Peons	33	✓	68	68	18 20	Menial Staff	68	-	68	
			on Wages										
		30	Material Clerk	45		45	45	✓					
		31	Foundry do.	35		35	35	✓					
		32	Store do.	23		23	23	✓					
		33	Lascar	28		28	28	28	Lascar	18		18	
		34	do	23		23	23	29	do	15		15	
		35	do	11½		11½	11½	23	do	12		12	
							1732 17/18						
							1734 1/18						

checked +

Bangalore
2/6/ 1924

Note.—To be prepared in duplicate and forwarded through the Comptroller in Mysore and shoul

II of the Financial Rules circulated with G. O. No. Fl. 1150—1192, d ted 7-2-1903)

FOR REVISION OF ESTABLISHMENT

roposition relates to the Central Industrial Workshop

WD 055—GPB—2,000—24-10-16

Average Cost	Proposition						Grounds of Proposition	Comptroller's Report	Orders of Government		
	Permanent		Temporary						Department concerned	Financial Department	
	Increase per month	Decrease per month	Increase per month		Decrease per month				Remarks	Remarks	Orders
	Amount	Amount	Period	Amount	Period	Amount					
	244 2/3	~~400 7/9~~									
68	✓						Rpt. concerning letter				
		45									
		35									
		23									
18		10									
15		8									
12	1/2 ✓										
								Rs 294 11/18	35-35 1/3		Rs
~~76 1/3~~	~~34/2~~	539 7/9	net Savings per month					~~536 17/18~~	or ~~643 1/3~~		per year.
~~436 1/3~~	245 1/6	559 7/9						314 1/18	3768 7/3		
1420											

enclosed (Vide letter accompanying this)

R. Srinivasaraghavan
Special Accounts Officer

Dtd. 16/10/24

Director of Industries & Commerce in Madras.

be followed by a reappropriation statement if the proposal involves additional expenditure.

(Financial Rules circulated with G. O. No. Fl. 1150—1192, dated 7-2-1903)

REVISION OF ESTABLISHMENT

tion relates to the Central Industrial workshop

WD 055—GPB—2,000—24-10-16

Proposition						Grounds of Proposition	Comptroller's Report	Orders of Government		
Permanent		Temporary						Department concerned	Financial Department	
Increase per month	Decrease per month	Increase per month		Decrease per month				Remarks	Remarks	Orders
Amount	Amount	Period	Amount	Period	Amount					
244 2/3	408 2/9									
	30	✓								Fig E.
1 ✓										
8 ✓										
	45	✓								
	35	✓								
	23	✓								
18	10	✓								
15	8	✓								
12 1/2						Vide Covering letter				
438 1/3	589 2/9						✓ 11			
194 2/3	539 7/9						294 5/18		3535 1/3	
13 3/21						Net Savings per month	536 5/18		643 3/4	per year.
1420 245 6/6							3141/18		3768 2/3	

(Vide letter accompanying this)

R. Srinivasayan

Special Accounts officer

Director of Industries and Commerce in Mysore

Director of Industries and Commerce

24

559 2/9 — 245 1/6 — 112 14/18

4 1438 1/3 — 559 2/9 — 245 1/6 — 113 14/18

5/18 — 5/18 — 10 — 2/18

ld be followed by a reappropriation statement if the proposal involves additional expenditure.

(e Financial Rules circulated with G. O. No. Fl. 1150—1192, dated 7-2-1903)

R REVISION OF ESTABLISHMENT

osition relates to the Central Industrial workshop.

WD 055—GPB—2,000—24-10-16

Proposition						Grounds of Proposition	Comptroller's Report	Orders of Government		
Permanent			Temporary					Department concerned	Financial Department	
Increase per month	Decrease per month		Increase per month		Decrease per month			Remarks	Remarks	Orders
Amount	Amount		Period	Amount	Period	Amount				
	48 8/9									
	29 4/9		✓							
	163 1/3		✓							
241 2/3										
	7		✓							
	2		✓							
3			✓							
	15		✓							
	40		✓							
	30		✓							
	67		✓							
	35		✓							
244 2/3	408 2/9									

Public concerning Letter

be followed by a reappropriation statement if the proposal involves additional expenditure.

Proceedings of the Government
of
His Highness the Maharaja of Mysore.

R e a d --

Correspondence ending with letter No. 469/237 dated 10th September 1924 from the Comptroller forwarding the audit report on the accounts of the Central Industrial Workshop for the half year ending 31st December 1920.

2. Memo No.151 I.A.D dated 12th September 1922 from the same officer forwarding the audit report on the accounts of the Central Industrial Workshop for the half year ending 31st December 1921.

3. Letter No. I.A.D 282 dated 3rd November 1922 from the same officer forwarding the audit report on the accounts of the Central Industrial Workshop for the half year ending 30th June 1922.

4. Letter No.14 I.A.D dated 6th July 1923 from the same officer forwarding the audit report on the accounts of the Central Industrial Workshop for the half year ending 31st December 1922.

O r d e r No. I.C.S(4)-1/Jtc 79-22-23

Dated, Bangalore, 4.12.23.

R e c o r d e d.

2. The several audit reports referred to above disclose various irregularities (as per list appended) in the management of the worksho

workshop, the preparation of goods and their stocking, the recovery of outstandings etc., The Director, I & C. should take necessary action in respect of them to ensure that such irregularities are not repeated and that no room is given for similar audit objections in future.

3. The Director is also requested to prepare in consultation with the Audit Officer a list of points alluded to in the several reports, and which call for definite sanction of Government,, and submit it for the orders of Government, at a very early date, so that the action taken by him in respect of objectionable items of expenditure may be regularised and the items admitted in audit.

Secretary to Government,
Revenue Department.

To

The Director of Industries and Commerce.
The Comptroller to Government.

B.R.S

7

Appendix.

Irregularities &c observed in Audit.

I. Building.

Excess expenditure over the sanctioned grants.

II. Machinery and Tools.

(a) Artificial book value without reference to market value.

(b) Incorrect maintenance of stock account from half year to half year and

(c) Inadequate rate of depreciation charges allowed.

III. Finished goods.

(a) Fixing or sale price at a high rate, without reference to cost price or current market value.

(b) Inadequate distribution of direct and indirect charges and the arbitrary addition of some ~~xxxx~~ figure to the prime cost of the finisned goods at the distretion of the Superintendent, Central Industrial Workshop.

(c) Omission to forward bills along with the stock at the time of delivery.

(d) Non-maintenance of vouchers or receipt from persons to whom finished articles are sent for trial hire or experiment.

IV Work in process.

(a) Non-preparation of regular estimates before accepting work.

(b) Inordinate delay in executing several old orders.

(c) Omission to promptly prepare bills for articles supplied in parts to Government Departments as soon as such part is supplied.

(d) Omission to obtain an adequate deposit money from private parties before accepting work orders from them.

(e) Non-maintenance of correct cost accounts and absence of a definite basis for the calculating of indirect charges to be debited to the Works.

(f) Disproportionate write off from the book value of certain goods without reference to actual outlay or current market price.

(g) Failure to obtain written requisitions for work orders and written acknowledgments of estimate sent.

V. Sundry Debtors.

Failure to take timely and effective action for the recoveries of large sums due from Government officers and Govt. Departments as well as from individuals.

VI. Petty Purchases.

(a) Difference between general ledger balance figures and the balance worked out from Store cards maintained not being reconciled regularly.

(b) Purchase orders for supplies not being always signed by the Supdt. of the

the Workshop.

(c) Delay in the issue of orders signed and dated

(d) Blank or unsigned purchase orders are noticed in the order book without the duplicates and triplicates

(e) Triplicate copies of the orders are not sent to the Accounts Section each day the orders are issued, nor is any reference to bills received and passed quoted on the original orders.

(f) Reference to the orders is wanting in most of the invoices and bills do not contain reference to the invoices.

(g) Quotations are not called for nor rates entered on some orders.

(h) Some purchases are omitted from accounts and some made beyond the limits of Rs.1500/- without reference to the Director of Industries and Commerce.

VII. Store Accounts.

(a) Issues according to indents are not shown in accounts when the trasactions occur.

(b) Corrections are often made by the Store-keeper in original indents and supply memos without being authenticated either by the Supdt. or the indenting officer.

(c) Issue rates are not correctly fixed with reference to the ledger.

(d) There are many irregular issues and errors in ledgers relating to kerosine oil, charcoal, coke, brass sheets, galvanised iron sheets etc.,

(e) The closing stock and counting certificates are more correctly maintained. ? NVR ?

(f) The value or raw materials consumed and the value of materials distributed over the work orders as per outlay register do not tally. This tends to under~~take~~ rate pro-duction expenses of the work orders concerned.

Reorganisation of the Central Industrial Workshop, Bangalore.

- - - -

Draft order.

Read-

G.O. No.3005-55/I. & C.144-16-2 dated 17th September 1917 sanctioning the starting of a Central Industrial Workshop in - Bangalore under the control of the Department of I. & C.

2. G.O. No.8601-2/I. & C.146-20-18 dated 11th March 1921 directing the examination of the working of the Central Industrial Workshop by an outside expert with a view to find out how best it could be improved and developed.

3. Unofficial note dated 14th Novr. 1921 by the Director of I. & C. expressing his views for the improvement of the working of the concern.

4. Correspondence ending with letter No. Mis.551 dated 12th June 1922 from the Director of I. & C. in regard to the excess expenditure incurred on the buildings of the workshop over and above the sanctioned estimates.

5. G.O. No.5773-4/I. & C. 139-21 dated 15th May 1922 directing, with certain observations, the writing off of the losses sustained by the several industrial concerns and ordering the revaluation of their fixed and floating assets.

6. Letter No. G.C.428 dated 28th July 1922 from the - Director, I. & C. submitting his proposals for the re-valuation of the machinery and tools and the buildings of the workshop.

7. Letter No. G.C.428 dated 21st August 1922 from the same officer submitting proposals for the revaluation of the "work in process" as on 30th June 1922.

8. Correspondence ending with letter No. O.C.2979 dated 8th September 1922 from the same officer submitting proposals

for the revision of the scale of establishment for the C.I. Workshop.

9. Correspondence ending with letter No.O.C.1316 dated 11th September 1922 from the same officer submitting his proposals regarding the system to be adopted, monthly wages or daily wages, for the artizans and cooly labour employed in the workshop.

10. Correspondence ending with letter No.1078/I.A.D. dated 12th June 1924 from the Comptroller forwarding after verification a revised proposition statement received from the Director of I. & C. for revision of the staff of the C.I. Workshop.

....

Order-I.C. 7425-84 / 19 C 79-22-44. 9/5/25

In 1917, Govt. decided that in view of the development of industrial activity in the State, a Central Industrial Workshop should be organised with a view to manufacture and supply to the people simple machines needed by them, to undertake important repairs of machinery already set up and to carry on experiments to design and adapt machinery to local requirements. It was also laid down that arrangement should be made to give practical training in the workshop to students of the Mechanical Engineering School and others fit for advanced training. The Workshop was ordered to be worked on strictly commercial lines; the buildings and machinery belonging to the old Public Works Workshop, valued at Rs.105,841 were transferred to the Deptt. of Industries as a nucleus for the Central Industrial Workshop.

2. From the half-yearly balance sheets and audit reports it is found that the workshop has been working at a loss from the very commencement, the total loss up to the 31st Dec. 1922 being Rs.332,989-13-8..

3. With a view to improve the working of the concern, Govt. called for a report from the Director of I. & C. and passed

Orders in their order No.5773-4/I. & C.139-21 dated 15th May 1922 directing that the entire losses incurred up to that date be written off the accounts, that the fixed and floating assets be revalued afresh and that interest and depreciation charges be calculated in future on such revalued capital cost. Govt. also ordered that no credit be given in the general revenue account for any profit over and above the interest on the capital so revalued, and that such profits be funded separately and utilised for meeting losses in future working and for the expansion of the concern. The Director of I & C has accordingly had the capital assets of the concern revalued as follows:-

	Book value	Proposed value	Dif.
(i)Machinery and tools.	1,23,565-3-3	72,739-0-0	-50,826-3-3
(ii) Furniture	2,693-0-0	1.820-0	- 873/
(iii) Work in process	1.02,443-3-4	58.045-14-2	-44,397-5-2
(iv) Buildings	1,65,527-1-9	144,883-13-5	-20.643-4-4
			-116,739/12-9

4. With regard to the buildings, the Director of I. & C. has proposed that instead of the workshop being required to pay interest on the revised valuation, a rent of Rs.200 may be debited to the workshop account for the buildings utilised for the workshop and Rs.100 charged for the portion used for the office of the Director of I. & C.

5. At the time of the formation of the Central Industrial Workshop, the average monthly cost of establishment amounted to Rs.1058. The scale was enhanced in G.O. No. 9608-9/I. & C.31-18-12 dated 31st March 1919 to Rs.1,511-5-4 per mensem. Additions to the establishment were subsequently sanctioned by Government from time to time and the Director of I. & C. has now sent up proposals for a revision of the existing establishment which are expected to result in a saving of Rs.314 1/18 per month or of Rs.3,768 2/3 per annum as detailed in the annexed statement.

6. As regards labour employed prior to 1918, the workmen about 300 in number ~~employed in the workshop~~ were paid daily wages or on piece work. In 1918, the Director recommended to Govt

that this system was unsatisfactory as it afforded no incentive to good work and did not provide for recognising long service and suggested that about 100 trained men might be entertained on consolidated monthly pay as noted in the margin.*

*
(i) 18 men on Rs.40-2-60
(ii) 30 " 35-1-40
(iii) 52 " 15-1-25

They were to be given no extra allowance for overtime work. The formation of a Provident Fund was also recommended for the benefit of these workmen who were ~~to be made~~ to subscribe one anna per rupee of their pay, Govt. undertaking to contribute 50% of the amount paid from the Workshop accounts. The remaining men were proposed to be treated as temporary employees, varying in number according to the exigencies of work and paid daily wages. Govt. in their order No.5792-3/I. & C.284-17-8 dated the 23rd December 1918 sanctioned the above proposals subject to the condition that , should the Central Industrial Workshop be abolished or the scope of its operations reduced, the services of the men on fixed pay would be liable to termination at the discretion of Govt. This system was found in practice to involve heavy expenditure, compared with the work turned out. Further, there was not enough work on hand to keep all the men fully engaged and so the Director suggested that the system of consolidated monthly pay might be replaced by the system of paying wages with the benefits of the Provident Fund Scheme.

7. Govt. subsequently considered that all artizan and cooly labour should be paid daily wages, the system of monthly wages being adopted only in the case of employees of the foreman class who should be placed on a nonpensionable basis and given the benefit of a provident fund. The payment of bonus towards the Provident Fund for the benefit of employees was also held to be unjustifiable when the concern was uniformly working at a loss. In the light of these views, the Director has proposed the following labour establishment to be entertained on the wages system, taking 25 days as the normal

working period in a month:-

2 hands	on Rs. 2- 2-0	a day	... Rs. 4- 4- 0
1 hand	2- 6-0	"	2- 6- 0
1 "	2-11-0		2-11- 0
3 "	1-15-0		5-13- 0
2 "	1-13-0		3-10- 0
1 "	1-12-0		1-12- 0
1 "	1-11-0		1-11- 0
2 "	1- 9-0		3- 2- 0
2 "	1- 7-0		2-14- 0
3 "	1- 6-0		4- 2- 0
1 "	1- 4-0		1- 4- 0
			33- 9- 0

He has also proposed that the amount at the credit of the Provident Fund with a contribution of 50% may be refunded to the persons concerned.

8. Working capital- The manufacturing work of the Workshop is not carried on in accordance with any definite programme and steps are not being taken to realise outstandings promptly. According to the figures available, the total amount drawn from the treasury up to the end of June 1922 on the revenue account was Rs.178,103 as against a limit of Rs.147,915 sanctioned by Govt. from time to time. The whole of this amount is locked up in the shape of finished goods, work in process, book debts and stores. From time to time demands for additional funds have been received. The position disclosed having been found to be very unsatisfactory, Govt. in their order No. I.C.712-13/I. & C.161-21-4 dated 27th July 1922, requested the Director to submit proposals in the matter of fixing the limit of working capital for the concern, with due regard to all relevant factors, such as gross output, average sales, minimum value of raw materials and stock to be maintained on hand &c. The Director has not yet submitted the proposals called for, but has nevertheless been applying for additional grants which Govt. have had to decline. The heavy outstandings form a very disquieting feature of the working of the concern. Some of the accounts are outstanding from the time the workshop was transferred to the control of the Deptt

and in many cases, the claims are disputed by the parties concerned. Another unsatisfactory feature is the manufacture of articles for stock which are either not readily saleable, or not saleable at all and consequently the working capital to this extent is locked up.

9. The recommendations of the Director of I. & C. in this respect are:-

(1) To dispose of the finished goods as quickly as possible by reducing their prices, with due regard to the present market value of such articles.

(2) All articles manufactured prior to July 1922 to be shown under a separate head in the accounts, the amounts being adjusted as realised and

(3) Credit for working capital being given to the extent of the assets against (2).

10. In a later communication dated 5th July 1923, the Director now proposed a programme of work for the workshop providing for a gross output of Rs.1¼ lakhs and he has suggested that the Govt. Departments should be asked to provide the major portion of the work which the workshop would be able to execute at favourable rates.

11. Review of the various proposals made and orders thereon

The present position of the workshop and the proposals made by the Director in connection with it having been recapitulated above, Govt. will now proceed to pass orders on his recommendations.

12. Govt. have recognised that the workshop should be relieved of the heavy handicap in the shape of inflated fixed assets and work in process and have accordingly directed a fresh valuation of its assets. This has been done and the excess value has already been written down as loss during the half year ending 30th June 1922. For the future the valuatior suggested by the Director in para 5 above will be adopted,

the difference between the book value and the value proposed by the Director being written off the accounts. A rent of - Rs.200 per mensem will be debited to the workshop account for the buildings utilised for the workshop. For the portion of the buildings occupied by the Director's office, however, the workshop will be given credit for a rent of Rs.100 per mensem.

13. The revision of the scale of establishment in the manner suggested by the Director at para 5 above is sanctioned. Orders have already issued in G.O. No. I.C.1074-5/I. & C.295-23-5 dated 18th August 1924 placing the Industrial Engineer in charge of the Central Industrial Workshop, half his pay being debited to the workshop, setting free the Superintendent for being posted to the charge of a Division.

14. The recommendation of the Director at para 7 above to abolish the cadre of workmen paid by monthly wages and the substitution of a daily rated staff is sanctioned, the provident fund subscription already collected being refunded only to subscribers who actually leave service, with a contribution equal to 50% of the subscriptions till now collected. The proposal to reduce the number of non-working days is also approved. The Director is also authorised to entertain whenever necessary additional temporary establishment not exceeding Rs.600 per annum to provide for the execution of ~~certain~~ works every case for the entertainment of a person for a period exceeding which cannot be entrusted to men employed on daily wages, ~~He~~ 3 months being reported ~~should report such such case~~ immediately for the information of Government.

15. As regards the provision of working capital, the Director has already been asked to arrange for a rapid realisation of book debts in order to release the capital thus locked up and he has been informed that no additional grants for working capital can be made. He should take immediate action to carry out the instructions of the Govt. conveyed in their order dated 27th July 1922 ~~and submit without further delay~~

revised proposals for fixing the limit of working capital for the Central Industrial Workshop as well as the other industrial concerns under his control. In the meanwhile, vigorous measures should be adopted to dispose of all surplus finished and unfinished stock on hand and to realise the heavy arrears outstanding against the Departments of Govt. as well as against Govt. officers and private persons.

16. The Workshop is at present intended to serve three distinct purposes:-

(1) To repair, manufacture and supply articles and machinery for Govt. Depts. as well as to private individuals.

(2) To afford facilities for training to mechanics.

(3) To conduct experiments.

If the concern is to be worked on purely commercial lines, as it should be, it is necessary that the charges incurred on items (2) and (3) should be separately shown in the accounts and should not be debited to the accounts of the workshop proper.

The Director is requested to submit definite proposals to give effect to this suggestion.

17. With regard to the future management of the workshop, Govt. desire that the following instructions should be kept in view and strictly adhered to in future:-

(i) Articles should be manufactured as far as possible only against firm orders and deposits amounting to 25% of the value of the orders should ordinarily be taken before the work is commenced.

(ii) Work done for Govt. Departments should be only against grants actually provided in the Budget estimates of those Departments.

(iii) Manufacture of articles for stock to keep the concern going should be confined only to such articles as can confidently be expected to find a ready sale.

(iv) Credit should not ordinarily be allowed for more than a month and in no case for more than three months. Prompt recoveries of outstandings against Govt. Departments as well as private parties should be effected. The Superintendent will be ~~being~~ held liable for any loss which may be caused to Govt. by failure to take timely action for the recovery of the dues.

(v) The machinery, implements and other articles made in the Workshop including those made for stock should be sufficiently advertised by the issue of descriptive catalogues, if need be, and sales agents appointed, if necessary, with the sanction of Govt. for pushing on rapidly the sales of the articles in stock.

(vi) Repairs to private motor cars should not be undertaken in the Workshop. Similarly, other works for the execution of which by private firms there are reasonable facilities in the city should ordinarily not be undertaken in the workshop for private individuals.

18. With the writing down of the capital cost and the revaluation of the stock on hand, the disposal of all superfluous machinery and stock, the change in the methods of work as indicated above and above all, with the clean balance sheet with which the concern will operate in future, Govt. trust that it will be possible to run the concern on a sound and commercial basis in the future and to place it on a self-supporting if not a ~~profitable~~ profit-earning bases.

Secretary to Government,
Revenue Department.

U.O.No.

Jc.

The Director &c
The Accountant Genl &c
The Treasury Officer
The Director of Civil

	Existing pay.	Average cost.		Proposed pay.	Average cost.
1 Supt.	200-20-400	322 2/9	1(Half pay) Indl. Engineer	400-30/2-700	273 1/3
1 Foreman	100-10-150+30	133 1/3+30	1 Asst.Supt.	150-15-300	241 2/3
1 Chargemen	87	87	1 Chargemen	80	80
do	77	77	do	75	75
do	67	67	do	70	70
1 Time-keeper	30	30	1 time-keeper & labour clerk	35	35
1 cost clerk	30	30	1 material & foundry clerk	35	35
1 do	25	25			
1 Accountant	87	87	1 Accountant	87	87
1 Asst. do	45	45	1 Asst.Acct. & Cashier	45	45
1 do	35	35	1 Asst.Acct.	35	35
1 Head clerk	45	45	1 Head clerk	45	45
1 Workshop clerk	40	40			
1 Deputy clerk	30	30			
1 Typist	35	35	1 Typist	35	35
1 Draftsman	67	67	1 Draftsman	50	50
1 Asst. do	50	50			
1 Tracer	35	35			
1 Storekeeper	60	60	1 Storekeeper	60	60
1 Sub do	35	35	1 Sub do	35	35
1 Store Acct.	50	50	1 Store Acct.	50	50
1 Ledger-keeper	35	35	1 Ledger-keeper	35	35
1 do	30	30			
1 Attender	20	20	1 Attender	20	20
1 Gate-keeper	23	23			
1 Peon	12	12			
3 peons	33	33	3 menial staff	68	68
On wages.					
Material clerk	45	45			
Foundry do	35	35			
Store do	23	23			
Laskar	28	28	Laskar	18	18
do	23	23	do	15	15
do	11½	11½	do	12	12
		~~1,752 17/18~~			~~1,438 1/3~~
		1734 1/18			1420

8 v.

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS

G. O. No. I. C. I. C. 7425-84 DATED 5th May 1925

9th 79-22-4

May this be

i. printed? yes
ii. treated as a standing order? yes
iii. published in the Gazette English Part? yes
iv. translated? no
v. placed at the disposal of the press? yes
vi. published in the Gazette Kannada Part? no

To warn whether this may be published in the Gazette & placed at the disposal of the press. (Please see Para 2 of G.O.)

Central Industrial Workshop

Sanctions a revision of the scale of the establishment of the — Bangalore and also passes orders for the improvement of the working of the

A1236

Proceedings of the Govt. of H.H.
the Maharaja of Mysore.

R e a d :--

G.O. No.3005-55/I & C 144-16-2 dated 17th September 1917 sanctioning the starting of a Central Industrial Workshop in Bangalor under the control of the Department of Industries and Commerce.

2. G.O. No.8601-2/ I & C 146-20-18 dated 11th March 1921 directing the examination of the working of the Central Industrial Workshop by an outside expert with a view to find out how best it could be improved and developed.

3. G.O. No.9709-10/ I & C 146-20-21 dated 11th April 1921 reviewing the audit report on the accounts of the Central Industrial Workshops for the periods ending 30th June 1920.

4. Letter No.1166/I & C 146-20-29 dated 22nd August 1921 to the Director, Industries and Commerce, directing that as an outside expert was not available, Mr.B.G. Appadurai Mudaliar, Supdt., of the Workshop should examine the concern and calling for a full report in the matter.

5. Correspondence ending with letter No. G.C.153 dated 30th Septr. 1921 from the Director of Industries and Commerce submitting a report as called for in letter dated 22nd August 1921 read above.

p.t.o.

6. Correspondence ending with letter No.469/237 dated 10th Septr. 1921 from the Comptroller forwarding the Audit Reports on the accounts of the C.I. Workshop for the half year ending 31st December 1920.

9 (file 3)
Dr. 146-20-32

3 ~~7~~. Unofficial note dated 14th Novr. 1921 by the ~~Director~~ Director of I & C expressing his views for the improvement of the working of the concern.

P (file 2)
Dr. 146-20

4 ~~8~~. Correspondence ending with letter No Mis.501 dated 12th June 1922 from the ~~Director~~ Director of I & C in regard to the excess expenditure incurred on the buildings of the workshop over and above the sanctioned estimates.

Dr. 128-21-19
O (file 4)

5 ~~6~~. G.O. No.5773-4/I & C 139-21 dated 15th May 1922 directing with certain observations, the writing off of the losses sustained by the several industrial concerns and ordering the revaluation of their fixed and floating assets.

D (file 1)

6 ~~9~~. Letter No.G.C.428 dated 28th July 1922 from the ~~Director~~ Director, I & C submitting his proposals for the revaluation of the machinery and tools and the buildings of the workshop

Dr. 34-22-1
C (file 5)

7 ~~10~~. Letter No.G.C.428 dated 21st August 1922 from the same officer submitting proposals for the revaluation of the "work in process" as on 30th June 1922.

Dr. 34-22-2
Z (file 5)

12. Letter No.G.C.428 dated 4th Septr. 1922 from the same officer explaining how the losses in the working of the concern ~~xkx~~ till now have occurred.

Dr. 34-22-
S (file 2)

8 ~~13~~. Correspondence ending with letter No.O.C.2979 dated 8th September 1922 from the

Dr 102-22-1
F (file 6)

the same officer submitting proposals for the revision of the scale of establish ment for the C.I.Workshop.

12. Correspondence ending with letter No.O.C.1316 dated 11th Septr. 1922 from the same officer submitting his proposals regarding the system to be adopted, monthly wages or daily wages, for the artizans and cooly labour employed in the workshop.

13. Memo No.151/I.A.D. dated 12th Septr. 1922 from the ~~same officer~~ Comptroller forward ing the Audit report on the ~~working~~ accounts of the Workshop for the half year ending ~~30th June 1922.~~ 31st December 1921

14. Letter No.I.A.D. 282 dated 3rd November 1922 from the same officer forwarding the Audit Report on the working of the workshop for the half year ending 30th June 1922.

15. Letter No.588/A dated 5th July 1923 from the Director of I & C submitting certain proposals in the matter of programme of work for the workshop and the provision of working capital.

16. Letter No.14 dated 6th July 1923 from the Comptroller to Government forwarding the preliminary balance sheet of the working of the concern for the period ending 31st December 1922.

10 ~~17.~~ Correspondence ending with letter No.1078/I.A.D. dated 12th June

1924 from the Comptroller forwarding after verification a revised proposition statement received from the Director of Industries and Commerce for ~~xx~~ revision of the staff of the C.I. Workshop.

Order No.

Dated, Bangalore, 1924.

In 1917, Govt. decided that in view of the development of industrial activity in the State, a Central Industrial workshop should be organized with a view to manufacture and supply to the people simple machine & needed by them, to undertake important - repairs of machinery already ~~xxx~~ set up and to carry on experiments to design and adapt machinery to local requirements. It was also laid down that arrangement should be made to give practical training in the workshop to students of the Mechanical Engineering School and others fit for advanced training. The workshop was ordered to be worked on strictly commercial lines; the buildings and machinery belonging to the old Public Works Workshop, valued at Rs.1,05,841 ~~was~~ were transferred to the Department of Industries ~~xxx~~ as a nucleus for the Central Industrial Workshop.

2. From the half yearly balance sheets and audit reports, it is found that the Workshop has been working at a loss from the very commencement, the total loss up to the 31st December 1922 being Rs.3,32,989-13-8.

3. With a view to improve the working of the concern Govt. obtained a report from the Director of I & C and passed orders in No.5773-4/I&C.139-21 dated 15th May 1922, directing that the entire losses incurred up to that date be written off the accounts, that the fixed and floating assets be revalued afresh and that interest and depreciation charges be calculated in future on such revalued capital cost. Govt. further ordered that no credit be given in the general revenue account for any profit over and above the interest on the capital so revalued, and that such profits be funded separately and utilised for meeting losses in future working and for the expansion of the concern. The Director of I & C has accordingly had the capital assets of the concern revalued as follows:-

	Book value.	Proposed value	Difference.
(i) Machinery & tools	1,23,565-3-3	72,739-0-0	-50,826-3-3
(ii) Furniture ...	2,693-0-0	1,820-0-0	873-0-0
(iii) Work in process	1,02,443-3-4	58,045-14-2	-44,397-5-2
(iv) Buildings	1,65,527-1-9	144,883-13-5	-20,643-4-4
			-116,739-12-9

4. With regard to the buildings, the Director of I & C has proposed that instead of the workshop being required to pay interest on the revised valuation, a rent of Rs.200 may be debited to the workshop account for the buildings utilised for the Workshop and Rs.100 charged for the portion used for the office of the Director of I & C.

5. At the time of the formation of the Central Industrial Workshop, the average monthly cost of establishment amounted to Rs.1058. The scale was enhanced in G.O.

No.9608-9/I&C.31-18-12 dated 31st March 1919 to Rs.1511-5-4 per mensem. Additions to the establishment were subsequently sanctioned by Government from time to time and the Director of I&C has now sent up ~~the following~~ proposals for a revision of the existing establishment which are expected to result in a saving of Rs.314 1/15 per month ~~of~~ Rs.3768 2/3 per annum, as detailed in the annexed statement.

Existing pay.		Average cost.	Proposed pay.		Average cost.
1 Supdt.	200-20-400	322 2/9	1 Half pay Industrial Engineer	400-30/2-700	273 1/3
1 Foreman	100-10-150+30	133 1/3+30	1 Asst. Supdt.	150-15-300	241 2/3
1 Chargeman	87	87	1 Chargeman	80	80
1 -do-	77	77	1 -do-	75	75
1 -do-	67	67	1 -do-	70	70
1 Time keeper	30	30	1 Time keeper and labour clerk	35	35
1 Cost clerk	30	30	1 Material and foundry clerk	35	35
1 -do-	25	25			
1 Accountant	87	87	1 Accountant	87	87
1 Asst. do	45	45	1 Asst.Acctt. & Cashier	45	45
1 Asst. do	35	35	1 Asst. Acctt.	35	35
1 Head clerk	45	45	1 Head Clerk.	45	45
1 Workshop clerk	40	40			
1 Deputy clerk	30	30			
1 Typist.	35	35	1 Typist	35	35
1 Draftsman	67	67	1 Draftsman	50	50
1 Asst. do	50	50			
1 Tracer	35	35			
1 Storekeeper	60	60	1 Storekeeper	60	60
1 Sub do	35	35	1 Sub do	35	35
1 Store Acctt.	50	50	1 Store Acctt.	50	50
1 Ledger keeper	35	35	1 Ledger keeper	35	35
1 do	30	30			
1 Attender	20	20	1 Attender	20	20
1 Gate keeper	23	23			
1 Peon	12	12			
3 Peons	33	33	3 Menial staff	68	68
On wages.					
Material clerk	45	45			
Foundry do	35	35			
Store do	23	23			
Laskar	28	28	Laskar	18	18
do	23	23	do	15	15
do	11½	11½	do	12	12
					1420

6. As regards labour employed prior to 1918, the workmen about 300 in number employed in the Workshop were paid daily

wages or on piece work. In 1918, the Director recommended to Govt. that this system was unsatisfactory as it afforded no incentive to good work and did not provide for recognising long service and -- suggested that about 100 trained men might be entertained on consolidated monthly pay as noted in the margin. They were to be given no extra allowance for overtime work. The formation of a Provident Fund was also recommended for the benefit of these workmen who were to ~~be made to~~ subscribe one anna per rupee of their pay, Govt. undertaking to contribute 50% of the amount paid from the Workshop accounts. The remaining men were proposed to be treated as temporary employees, varying in number according to the exigencies of work and paid daily wages. Govt. in their order No.5792-3/I&C.284-17-8 dated the 23rd December 1918 sanctioned the above proposals subject to the condition that should the Central Industrial Workshop be abolished or the scope of its operations reduced, the services of men on fixed pay would be liable to termination at the discretion of Govt. This system was found in practice to involve heavy expenditure, compared with the work turned out. Further, there was not enough work on hand to keep all the men fully engaged and so the Director suggested that the system of consolidated monthly pay might be replaced by the system of paying wages with the benefit of the Provident Fund Scheme.

(i) 18 men on Rs.40-2/1-60
(ii) 30 " 35-1-40
(iii) 52 " 15-1-25
100

7. Govt. subsequently considered that all artizan and cooly labour should be paid daily wages, the system of monthly wages being adopted only in the case of employees of the Foreman class who should be placed on a non-pensionable basis and given the benefit of a Provident Fund. The payment of bonus towards the Provident Fund for the benefit of employees was also held to be unjustifiable when the concern was uniformly working at a loss. In the light of these views, the Director has proposed the following labour establishment to be entertained on the wages system, taking 25 days as the normal working period in a month:-

2 hands	on Rs.	2	2	0	a day	Rs.	4	4	0
1 hand		2	6	0	"		2	6	0
1 "		2	11	0	"		2	11	0
3 "		1	15	0	"		5	13	0
2 "		1	13	0	"		3	10	0
1 "		1	12	0	"		1	12	0
1 "		1	11	0	"		1	11	0
3 "		1	9	0	"		3	2	0
2 "		1	7	0	"		2	14	0
3 "		1	6	0	"		4	2	0
1 "		1	4	0	"		1	4	0
							33	9	0

8. He has also proposed that the amount at the credit of the Provident Fund with a contribution of 50% may be refunded to the persons concerned.

9. Working Capital. The manufacturing work of the Workshop is not carried on in accordance with any definite programme and steps are not being taken to realise outstandings promptly. According to the figures available, the total amount drawn from the treasury up to the end of June 1922 on the revenue account was Rs.1,78,103 as

against a limit of Rs.1,47,915 sanctioned by Govt. from time to time. The whole of this amount is locked up in the shape of finished goods, work in process, book -- debts and stores. From time to time -- demands for additional funds have been received. The position disclosed having been found to be very ~~xx~~ unsatisfactory, Govt. in their order No.I.C.712-13/I&C.161-21-4 dated 27th July 1922 requested the Director to submit proposals in the matter of fixing the limit of working capital for the concern, with due regard to all relevant factors, such as gross output, average sales, minimum value of raw materials and stock to be maintained on hand, &c., The Director has not yet submitted the proposals called for, but has nevertheless been applied for additional grants; which Govt. have ~~therefore~~ had to decline ~~to sanction such grants~~. The heavy outstandings form a very disquieting feature of the working of the concern, ~~amounting as they do to more than Rs. 2 lakhs~~. Some of the accounts are outstanding from the time the workshop was transfered to the control of the Department and in many cases, the claims are disputed by the parties concerned. Another unsatisfactory feathre is the manufacture of articles for stock which are either not readily saleable, or not saleable at all and consequently the working capital to this extent is locked up.

19. The recommendations of the Director of I & C in this respect are:-

(1) To dispose of the finished goods as quickly as possible by reducing their prices, with due regard to the present market value of such articles.

(2) All articles manufactured prior to July 1922 to be shown under a separate head in the accounts, the amounts being adjusted as realised and

(3) Credit for working capital being given to the extent of the assets against (2).

fre 32-21
14-23
91-2.3

12. In a later communication dated 5th July 1923, the Director has proposed a programme of work for the workshop providing for a gross output of Rs. 1¼ lakhs and he has suggested that the Govt. Departments should be asked to provide the major portion of the work which the workshop would be able to execute at favourable rates.

13. ~~All the outstanding questions of importance in connection with the Workshop~~ have been recapitulated above, Govt. will now proceed to pass orders on ~~the~~ several recommendations ~~submitted by the Director~~.

Review of the various proposals made & orders thereon.

14. Govt. have recognised that the workshop should be relieved of the heavy handicap in the shape of inflated fixed assets and work in process and have accordingly directed a fresh valuation of its assets. This has been done and the excess value has already been written down as loss during the half year ending 30th June 1922. For the future the valuation suggested by the Director in para 5 above will be adopted, the difference

between the Book value and the value proposed by the Director being written off the accounts. (A rent of Rs.200/- per mensem will be debited to the Workshop account for the buildings utilized for the Workshop For the portion of the buildings occupied by the Director's Office, however, the workshop will be given credit for a rent of Rs.100/- per mensem.

13. The revision of the scale of establishment in the manner suggested by the Director at para 5 above is sanctioned. Orders have already issued, in G.O.No.I.C. 1074-5/I&C.295-23-5 dated 18th August 1924, placing the Industrial Engineer in charge of the Central Industrial Workshop, half his pay being debited to the Workshop, ~~the~~ Retting free the Superintendent for being posted to the charge of a Division.

14. The recommendation of the Director at para 7 above to abolish the cadre ~~xxx~~ of workmen paid by monthly wages and the substitution of a daily rated staff is sanctioned, the provident fund subscription already collected being refunded only to subscribers who actually leave service, with a contribution equal to 50% of the subscriptions till now collected. The proposal to reduce the number of non-working days is ~~xxx~~ also approved. The Director is also authorised to entertain (whenever necessary additional temporary establishment not exceeding Rs.600 per annum to provide for the execution of ~~certain~~ works

which cannot be entrusted to men employed on daily wages, ~~He should report each such case~~ immediately for the information of Govt.

Every case of this kind of a person for a period exceeding 3 months,

15. As regards the provision of working capital the Director has already been asked to arrange for a ~~more~~ rapid realisation of book debts in order to release the capital thus locked up and he has been informed that no additional grants for working capital can be made. He should take immediate action to carry out the instructions of the Govt. conveyed in their order dated 27th July 1922 and submit without further delay revised proposals for fixing the limit of working capital for the Central Industrial Workshop as well as the other Industrial Concerns under his control. In the meanwhile vigorous measures should be adopted to dispose of all surplus finished and unfinished stock on hand and to realise the heavy arrears outstanding against the Departments of Govt. as well as against Govt. Officers and private persons.

Orders of Govt. to be issued for disposal of the stock & detailed proposals.

16. Thw Workshop is at present intended to serve three distinct purposes:-

Future Policy

(1) To repair, manufacture and supply articles and machinery for Govt., Depts. as well as to private individuals.

(2) To afford facilities for training to mechanics.

(3) To conduct experiments.

If the concern is to be worked on purely commercial lines, as it should be

it is necessary that the charges incurred on items (2) and (3) should be separately shown in the accounts and should not be debited to the accounts of the workshop proper.

The Director is requested to submit definite proposals to give effect to this suggestion.

7 With regard to the future management of the workshop, Govt. desire that the -- following instructions should be kept in view and strictly adhered to in future.

(i) Articles should be manufactured as far as possible only against firm orders and deposits amounting to 25% of the value of the orders should ordinarily be taken before the work is commenced.

(ii) Work done for Govt. Departments should be only against grants actually provided in the Budget Estimates of their Depts.

(iii) Manufacture of articles for -- stock to keep the concern going should be confined only to such articles as can confidently be expected to find a ready sale.

(iv) Credit should not ordinarily be allowed for more than a month and in no case for more than three months. Prompt recoveries of outstandings against Govt. Departments as well as private parties should be effected.

(v) The machinery, implements and other articles made in the Workshop includ -ing those made for stock should be -- sufficiently advertised by the issue of

descriptive catalogues, if need be, and ~~xx~~ sales agents appointed, if necessary, with sanction of Govt. for pushing on rapidly the sales of the articles in stock.

(vv) Repairs to private motor cars should not be undertaken in the Workshop. Similarly, other works for the execution of which by private firms there are reasonable facilities in the city should not be undertaken in the workshop for private individuals.

Audit Report.

18 The several audit reports of the Comptroller disclose various irregularities in the management of the Workshop, the maintenance of accounts, the preparation of goods and their stocking, the recovery of outstandings etc., A list of the main irregularities will be sent to the Director of I & C for taking necessary action to ~~xx~~ ~~remedy the defects and report the same~~ to Government.

~~The Director should take steps to~~ ensure that irregularities ~~of the kind enumerated in the appendix are discouraged~~ and that no room is given for similar audit objections in future.

He is also requested to prepare in consultation with the Audit office, a list of points alluded to in the several reports which call for definite sanction of Govt. in order to regularise action taken by the Director in respect of objectionable items of expenditure so that they may be admitted in audit and to submit it for the orders of Govt. ~~by the end of next month~~ at a very early date.

18 With the writing down of the capital cost and the revaluation of the stock on hand, the disposal of all superfluous -- machinery and stock, the change in the methods of work as indicated above ~~and the removal of irregularities noticed in the audit~~, and above all, with the clean balance sheet with which the concern will operate in future, Govt. trust that it will be -- possible to run the concern on a sound and commercial basis in the future and to place it on a self-supporting if not a profit-earning basis.

Secretary to Govt.,
Revenue Dept.

To

The Director of Industries & Commerce.
The Comptroller to Govt.
The Heads of Departments.
The Deputy Commissioners of Districts.

NSG.